

Message Text

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C O N F I D E N T I A L BUENOS AIRES 2877

E. O. 11 652: GDS

TAGS: TECH, AR

SUBJECT: QUIHILLALT VIEWS ON ATOMIC ENERGY SITUATION IN ARGENTINA

1. IN GENERAL REVIEW OF CURRENT ATOMIC ENERGY SITUATION IN ARGENTINA, QUIHILLALT INFORMED AEC REP THAT HE HAS SOME HOPE OF CONCLUDING LETTER OF INTENT WITH CANADIAN- ITALIAN CONSORTIUM COVERING CORDOBA PROJECT BEFORE MAY 25 CHANGE OF GOVERNMENT, BUT THAT DEFINITIVE CONTRACT STILL SOME TIME AWAY. HE ACKNOWLEDGED, NEVERTHELESS, THAT CORDOBA DECISION WOULD REQUIRE SOME FORM OF RATIFICATION BY NEW GOVERNMENT, AND DOES NOT CONSIDER THIS COMPLETELY ASSURED. IN RESPONSE AEC REP' S OBSERVATION THAT NATURAL URANIUM DECISION SEEMED CONSISTENT WITH PUBLIC STATEMENTS OF SOME SECTORS OF PERONIST PARTY, HE ATTRIBUTED THIS TO LEFT- WING YOUTH GROUPS AND RAUL MATERA, WHO " HAS NO FORCE," AND NOTED SIGNIFICANTLY THAT OTHER FINAL CONTENDER FOR AWARD WAS SIEMENS.

2. QUIHILLALT IMPLICITLY CONFIRMED PRESS REPORTS THAT CANADIAN AND ITALIAN PARTNERS OF CONSORTIUM ARE NOT IN FULL ACCORD, OBSERVING THAT ITALIANS WERE MUCH SHARPER NEGOTIATORS, WHILE CANADIANS WERE RELATIVELY NAIVE, AND AS A GOVERNMENT COMPANY, MUCH LESS INTERESTED IN PROFIT. HE EXPRESSED STATIFACTION WITH PERFORMANCE OF US COMPANIES DURING CORDOBA COMPETITION, AND
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ATTRIBUTED RESULT PRIMARILY TO MORE ATTRACTIVE CONDITIONS FOR TECHNOLOGY TRANSFER OFFERED BY CANADA, AND ONLY SECONDARILY TO FUEL ISSUE.

3. QUIHILLALT EXPRESSED GREAT CONCERN OVER FUTURE EVENTS IN COUNTRY, HAVING OBVIOUSLY BEEN SHAKEN BY RECENT HARD- LINE STATEMENTS OF PERONIST YOUTH LEADERS GALIMBERTI AND ABUL MEDINA. NEVERTHELESS, HE MADE CLEAR, IN COMMON WITH OTHER SCIENTIFIC LEADERS OF PRESENT GOVERNMENT, HIS OWN READINESS TO SERVE IN NEW GOVERNMENT IF ASKED TO DO SO. HE APPARENTLY CONSIDERS A REQUEST TO REMAIN IN HIS POSITION TO BE POSSIBLE, BUT CLAIMS TO HAVE NO POSITIVE KNOWLEDGE OF HIS FUTURE STATUS. HE HOPES TO ATTEND JUNE 12 MEETING OF IAEA BOARD, IF STILL ON THE JOB AT THAT TIME.

4. WHILE ACKNOWLEDGING THAT MINOR PROBLEMS CONTINUE TO APPEAR AT ATUCHA, QUIHILLALT FEELS THAT ONLY DIFFICULTY SERIOUS ENOUGH TO AFFECT SCHEDULE IS FUEL ELEMENT VIBRATION WHICH EMERGED AFTER 120- HOUR HOT- FLOW TEST IN EARLY MARCH. PROBLEM APPARENTLY RESULTS FROM EXCESSIVE FLOW VELOCITIES DOWNSTREAM OF COOLANT INLET NOZZLES, SINCE VIBRATION MOST PRONOUNCED AT INLET END OF FUEL ELEMENTS. ALL ELEMENTS HAVE BEEN REMOVED AND NOZZLES BEING RESHAPED IN ARGENTINA WITH SPECIAL TOOLING BROUGHT FROM GERMANY . QUIHILLALT BELIEVES CRITICALITY WILL NOW BE ACHIEVED IN JUNE OR JULY 1 WITH FULL POWER OPERATION AT END OF YEAR, ABOUT A 3- MONTH DELAY IN RELATION TO EARLIER SCHEDULE, BUT QUIHILLALT SAYS HE NO LONGER SPEAKS IN TERMS OF SCHEDULES, ONLY PROBABILITIES.

5. THE CNEA PROGRAM CALLS FOR SOLICITATION FOR BIDS FOR ARGENTINA' S NEXT NUCLEAR POWER STATION NEAR THE END OF 1973, PROBABLY FOR 600 MW UNIT AT ATUCHA, BUT QUIHILLALT SHOWED LITTLE CONFIDENCE THAT THIS WOULD TAKE PLACE AS SCHEDULED. HE BELIEVES FUTURE NUCLEAR POWER PROJECTS, OR AT LEAST THE NEXT ONE, WILL BECOME A MATTER FOR CONGRESSIONAL REVIEW IN THE NEW GOVERNMENT, WITH CONSEQUENT LENGTHY DELAYS. FEAR OF THIS CONSEQUENCE IS ONE OF THE UNDERLYING REASONS FOR THE CNEA' S CURRENT EFFORT TO CONCLUDE A LETTER OF INTENT BEFORE THE PRESENT GOVERNMENT LEAVES OFFICE. QUIHILLALT CONFIRMED THAT THE DECISION FOR THE CORDOBA PROJECT WAS APPLICABLE ONLY TO IT, AND DOES NOT PURPORT TO BE POLICY DECISION GOVERNING TYPE OF NUCLEAR POWER PLANTS BUILT IN THE FUTURE. WHILE HE DID NOT SUGGEST THAT DOOR WILL BE OPEN TO ENRICHED PLANTS ON

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NEXT ROUND, HE EXPECTS ISSUE TO BE DEBATED AGAIN.

6. QUIHILLALT' S UNDERLYING MOOD IS ONE OF GREAT UNCERTAINTY, INCLUDING OVER HIS OWN FUTURE STATUS. DESPITE HIS EXCELLENT POLITICAL ANTENNA, NO REASON TO DOUBT GENUINENESS OF HIS CLAIMED LACK OF KNOWLEDGE AS TO WHAT WILL TAKE PLACE IN ATOMIC ENERGY UNDER NEW GOVERNMENT, SINCE SIMILAR UNCERTAINTY EXISTS

THROUGHOUT GOVERNMENT. QUIHILLALT DOES BELIEVE, HOWEVER,
THAT ATOMIC ENERGY, AND ESPECIALLY NUCLEAR POWER, WILL
CONTINUE TO RECEIVE STRONG GOVERNMENTAL SUPPORT SINCE NO
ALTERNATIVE REALLY EXISTS TO MEETING ARGENTINA' S ENERGY
REQUIREMENTS.

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